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FORM 10-Q

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended March 31, 1992

Commission file number 0-14506

Pioneer American Holding Company, Corp.
(Exact name of registrant as specified in its charter)

Pennsylvania	23-2319931
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
41 N. Main St. Carbondale, PA	18407
(Address of principal executive offices)	(Zip Code)

(717) 282-2662
Registrant's telephone number including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act or 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No__

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Indicate the number of shares outstanding of each of the i: er's classes of common stock, as of the latest practical d:

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Common Stock, $10.00 Par Value--686,037 shares as of March 31, 1992

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PIONEER AMERICAN HOLDING CO., CORP.

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PIONEER AMERICAN HOLDING COMPANY, CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31 1992	Dec. 31 1991	March 31 1991
	(dollars in thousands)		
ASSETS:			
Cash and due from banks	$ 6,921	9,056	6,652
Money Market Investments	-0-	-0-	-0-
Investment Securities	62,139	65,273	61,193
Federal Funds Sold	10,650	900	7,100
Loans/Leases, net	152,111	149,976	146,410
Bank premises and equipment	3,277	3,341	3,495
Accrued Interest Receivable	2,005	2,077	1,978
Other Assets	1,206	1,003	1,170
Cost in excess of Fair Value of net assets acquired	851	861	890
Total Assets	239,160	232,487	228,888
LIABILITIES:			
Deposits:			
Demand	22,145	20,004	18,355
NOW and SuperNOW	15,129	15,055	11,861
Savings	49,780	47,399	46,299
Money Market	20,760	19,052	17,052
Time	106,336	106,871	111,798
Total Deposits	214,150	208,381	205,365
Advance from Federal Reserve Bank	-0-	-0-	-0-
Accrued Interest Payable	1,734	1,692	2,358
Dividend Payable	206	446	172
Other Liabilities	1,832	1,358	1,393
Subordinated Debentures	-0-	-0-	-0-
Total Liabilities	217,922	211,877	209,288
STOCKHOLDERS' EQUITY:			
Common Stock, par value $10; 1,000,000 Shares authorized; shares outstanding 686,037 at Mar. 31, 1992, Dec. 31, 1991 and Mar. 31, 1991	6,860	6,860	6,060
Surplus	6,652	6,652	6,652
Undivided Profits	8,258	7,630	6,684
Unearned employees benefits guaranteed debt of ESOP	(532)	(532)	(596)
Net unrealized loss on marketable equity security	-0-	-0-	-0-
Total Stockholders' Equity	21,238	20,610	19,600
Total Liabilities and Stockholders' Equity	$ 239,160	232,487	228,888

See accompanying notes to condensed consolidated financial statements.

PIONEER AMERICAN HOLDING COMPANY, CORP.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	March 31, 1992	March 31, 1991
	(dollars in thousands)	
Interest Income:		
Interest and fees on loans	$ 3,873	4,041
Interest on Federal Funds sold	40	75
Interest on Money Market Investments	-0-	-0-
Interest on Investments:		
U.S. Treasury and other Federal agency securities	1,073	931
Obligations of states and political subdivisions	167	172
Other Securities	16	26
Total Interest Income	5,169	5,245
Interest expense on deposits	2,357	2,934
Interest on subordinated debentures	-0-	-0-
Total Interest Expense	2,357	2,934
Net Interest Income	2,812	2,311
Provision for loan losses	160	90
Net Interest Income, after provision for loan loss	$ 2,652	2,221

See accompanying notes to condensed consolidated financial statements.

PIONEER AMERICAN HOLDING COMPANY, CORP.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	March 31, 1992	March 31, 1991
	(dollars in thousands)	
Other Operating Income:		
Service charges on deposit accounts	$ 172	179
Net security gains	69	-0-
Other Income	100	74
Total Other Operating Income	341	253
Other Operating Expenses:		
Salaries and employee benefits	943	873
Net occupancy expense of bank premises	153	153
Furniture and equipment expenses	142	136
Other expenses	646	569
Total Other Operating Expenses	1,884	1,731
Income before income taxes	1,109	743
Income tax expense	275	167
Net Income	$ 834	576
(a) Net Income Per Share	$1.22	$.84

(a) The basis for earnings per share during 1992 and 1991 is based on 686,037 shares.

See accompanying notes to condensed consolidated financial statements.

PIONEER AMERICAN HOLDING COMPANY CORP.

Consolidated Statements of Cash Flows

Quarters ended March 31, 1992 and 1991

	March 31, 1992	March 31, 1991
	(dollars in thousands)	
Cash flows from operating activities:		
Net Income	834	576
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation & amortization of bank premises & equipment	76	104
Provision for loan losses	160	90
Loss (gain) on sale of investment securities	(69)	-0-
Amortization of goodwill	10	10
Increase in deferred loan fees	14	5
Decrease (increase) in other assets	(262)	(295)
Increase (decrease) in other liabilities	474	212
Decrease (increase) in other real estate owned	59	(40)
Accretion of discount on investment securities	(25)	(19)
Amortization of premium on investment securities	40	35
Loss (gain) on sales of fixed assets	1	-0-
(Increase) in accrued interest receivable	72	103
Increase (decrease) in accrued interest payable	42	212
Total adjustments to reconcile net income to net cash	592	417
Net cash from operating activities	1,426	993
Cash flows from investing activities:		
Proceeds from sales & maturities of investment securities	6,136	2,677
Purchase of investment securities	(2,949)	(8,267)
Loans made to customers	(16,809)	(10,656)
Principal collected on loans	14,576	11,454
Property & equipment expenditures	(94)	(383)
Sales of fixed assets	6	3
Net cash used in investing activities	866	(5,172)

PIONEER AMERICAN HOLDING COMPANY CORP.

Consolidated Statements of Cash Flows (Cont'd)

Quarters ended March 31, 1992 and 1991

	March 31, 1992	March 31, 1991
	(dollars in thousands)	
Cash flows from financing activities:		
Net increase in demand deposits NOW accounts, savings accounts & money market accounts.....	6,304	(1,074)
Proceeds from sales of certificates of deposit.....	20,911	22,757
Payments from maturing certificates of deposit.....	(21,446)	(18,680)
Dividends paid.....	(446)	(412)
Net cash from financing activities.....	5,323	2,591
Net increase (decrease) in cash & cash equivalents.....	7,615	(1,588)
Cash & cash equivalents at beginning of year.....	9,956	15,340
Cash & cash equivalents at end of period.....	17,571	13,752
Cash paid during the period for:		
Interest (net of amounts capitalized).....	2,315	2,720
Income taxes.....	645	233

Notes to Condensed Consolidated Financial Statements

March 31, 1992 and 1991

(1) Basis of Presentation

Pioneer American Holding Company Corp. (the "Company") was formed in 1984. Effective May 15, 1985, the Company acquired First National Bank, Carbondale, Pennsylvania (the "Bank") through the merger of the Bank with a newly-formed wholly-owned subsidiary of the Company which adopted the name First National Bank, Carbondale ("First National") immediately following the merger. The merger was completed on the basis of a share-for-share exchange of the Company's common stock for the common stock of the Bank and was accounted for as a pooling of interests. The Company had no operations prior to acquiring the Bank. Effective February 29, 1988, the Bank's title was changed to Pioneer American Bank, N.A.

(1a) The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1992 are not necessarily indicative of the results that may be expected for the year ended December 31, 1992. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for year ended December 31, 1991.

(2) Summary of Significant Accounting Policies

The Company operated exclusively in the banking industry. The accounting and reporting policies that affect the more significant elements of the Company's financial statements are summarized below. These policies are in accordance with generally accepted accounting principles, and have been followed on a consistent basis.

(a) Money Market Investments

Money market investments are stated at cost, which approximates market.

(b) Investment Securities

Investment securities are stated at cost adjusted for amortization of premiums and accretion of discounts, both computed using a method which approximates a level yield. Gains and losses on sales of investment securities are recognized by the specific identification method.

(c) Interest Revenue and Expense

Interest revenue and expense are accrued on various methods which approximate a level yield on cost when related to principal amounts outstanding. Loan fees are recognized in accordance with FASB 91.

(d) Non-accrual Loans

The accrual of interest on loans is discontinued when payment of principal or interest is considered doubtful of collection. Loans on which payments are ninety days or more past due are considered non-accrual unless the loan is both well secured and in the process of collection. When interest accrual is discontinued, interest receivable which has been previously credited to income is reversed.

e) Allowance for Possible Loan Losses

The provision for loan losses charged to operating expense reflects the amount deemed appropriate by management to produce a reserve adequate to meet the present risk characteristics of the Company's loan portfolio. Management's judgement is based on the evaluation of individual loans and their overall risk characteristics, past experiences with respect to the relationship of its loan losses to the loan portfolio, the assessment of current economic conditions and other relevant factors. Loan losses are charged directly against the allowance and recoveries on previously charged-off loans are added to the allowance.

f) Bank Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis over the estimated life of the related assets as follows: buildings 20-33 years; building and land improvements 5-10 years; equipment 8-12 years; and leasehold improvements over 10-15 years. No depreciation is taken on capital projects-in-process until such projects are completed and placed in service. Maintenance and repairs are charged to operations as incurred.

g) Other Real Estate Owned

Other real estate owned consists of real estate acquired through foreclosure and is stated at the lower of cost or estimated fair market value.

h) Income Taxes

Certain income and expense items are recognized differently for financial reporting purposes than for income tax purposes. Provisions for deferred taxes are made to recognize these timing differences.

(3) Investment Securities

Investment Securities at March 31, 1992, December 31, 1991 and March 31, 1991 are summarized below by type:

	March 31, 1992	Dec. 31, 1991	March 31, 1991
U.S. Treasury Securities	4,513	4,515	9,993
Obligation of other Federal Agencies	25,463	27,469	27,170
Obligation of States & Political Subdivisions	9,594	10,226	10,256
Federal National Mortgage Assn.	2,704	2,811	1,027
Federal Home Loan Mortgage Corp.	16,547	16,915	8,813
Govt. National Mortgage Assn.	2,518	2,527	2,825
Corporate Notes	493	494	793
Other Securities	307	316	316
Total	62,139	65,273	61,193

(4) Stockholders' Equity

At December 31, 1985 there were 1,000,000 shares of common stock at $10 par value authorized with 267,748 shares issued and outstanding. On January 28, 1986, a 10% stock dividend was declared payable on April 1, 1986 to shareholders of record on January 24, 1986. The payment of this stock dividend increased common stock issued and outstanding to 294,016 shares. On August 12, 1986 a 2-for-1 stock split in the form of a 100% dividend was declared payable on September 30, 1986. This stock split increased issued and outstanding common stock to 588,032 shares of $10 par value.

On May 12, 1987, the Board of Directors voted to offer for sale, common stock through a subscription rights offering to existing shareholders. For every six shares of common stock of the Company held of record as of May 13, 1987, a shareholder has the nontransferable subscription right to subscribe for one share of common stock. Remaining shares not subscribed to were offered to the public for sale. The subscription Rights Offering began May 13, 1987 and was completed on June 30, 1987. The total amount of new shares issued through the Rights Offering was 98,005, bringing the total shares issued and outstanding to 686,037 at March 31, 1992.

(5) Employee Benefit Plan

During 1989, Pioneer American Bank, N.A. Employee Stock Ownership Plan (ESOP) obtained lines of credit from another financial institution of $500,000 and $150,000 of which the outstanding aggregate balance was $532,000 at March 31, 1992. The line of credit is guaranteed by the Company. The outstanding balance of $532,000 has been included in other liabilities of the Company at March 31, 1992 with an offsetting deduction from Stockholders' Equity for unearned employee benefits.

PIONEER AMERICAN HOLDING COMPANY, CORP.

Condensed Consolidated Financial Statements

March 31, 1992

Financial Review

Management's Discussion and Analysis of

Financial Condition and Results of Operation

Highlights

Total Assets were $228,888,000 at March 31, 1991 and $239,160,000 at March 31, 1992 which is an increase of $10,272,000 or 4.5%. Deposits increased by $8,785,000 from $205,365,000 at March 31, 1991 which is an increase of 4.3% at March 31 of 1992 deposits. Loan volume increased significantly during the same reporting periods. Total loan volume as of March 31, 1992 stood at $152,111,000, increasing by $5,701,000 or 3.9% from $146,410,000 at March 31, 1991. At March 31, 1992, Total Assets increased $6,673,000 or 2.9% over December 31, 1991, deposits increased $5,769,000 or 2.8% and loans increased $2,135,000 or 1.4%.

The average earning asset base continued upward patterns as overall growth in asset size has continued. Average earning assets were $211,809,000 during the three months ended March 31, 1991 and $220,524,000 during the three months ended March 31, 1992. This is an increase of $8,715,000 or 4.1%.

Average total assets during the three months ended March 31, 1991 were $227,087,000 and $235,834,000 for the three months ended March 31, 1992. The return on Average Total Assets was 1.0% for the three months ended March 31, 1991 and 1.4% for the same period of 1992. Return on Average Equity for the first quarters of 1991 and 1992 were 12.0% and 15.9% respectively. Average Equity for both periods was $19,398,000 for the first quarter of 1991 and $20,917,000 for the first quarter of 1992.

Net Interest Revenue

Net income for the first quarter of 1992 increased $258,000 or 44.8% compared with the same period of 1991. While total interest revenue decreased $76,000 or 1.4%, interest paid on deposits decreased by $577,000 or 19.7% resulting in a net effect of an increase of $501,000 or 21.7% in net interest income. Net income per common share was $.84 for the first quarter of 1991 compared to $1.22 for the first quarter of 1992. Earnings per share data is based on shares outstanding at both periods.

Provision and Reserve for Possible Loan Losses

	Three Months Ended March 31	
	1992	1991
Balance at Beginning of Period	$ 1,881	1,607
Recoveries	3	14
Less: charge offs	24	44
Provision for Loan Losses	166	90
Balance at end of period	$ 2,026	1,667

The provision for Possible Loan Losses for the first quarter of 1991 amounted to $90,000. It was $160,000 for the first quarter of 1992. Net charge offs for the current quarter totaled $21,000 while net charge offs for the same period of 1991 were $30,000. The ratio of net charge offs during the first quarter of 1992 to average loans outstanding during the same period was .014% and for the first quarter of 1991 was .020%.

The Reserve for Possible Loan Losses at March 31, 1992 totaled $2,026,000; increasing $359,000, 21.5% from $1,667,000 at March 31, 1991. The Corporation has made necessary additions to the Reserve as required. These additions have brought the Corporation's ratio of Reserve for Possible Loan Losses to Total Loans outstanding to 1.1% at March 31, 1991, and the same ratio as of March 31, 1992 was 1.3%.

Other Operating Revenue

Other Operating Revenue for the first quarter of 1992 was $341,000 increasing 34.8% from $253,000 reported in the first quarter of 1991. Service charges on deposit accounts accounted for a ($7,000) decline (3.9%) of the total other operating revenue, comparing the first quarter of 1992 to the first quarter of 1991. Other income for the first quarter of 1992 totaled $100,000 which was an increase of $26,000, 35.1% over the $74,000 recorded for the first quarter of 1991. This change in other income was due mainly to increased service charge income on mortgage loans to the company in the first quarter of 1992. Other income with the exception of mortgage service charge has reflected significant gains in credit card advances and MAC settlement income in recent months.

Other Operating Expense

Total other operating expenses were $1,884,000 in the first quarter of 1992, while other operating expenses were $1,731,000 in the first quarter of 1991; reflecting an increase of $153,000 or 8.8% for the first quarter of 1992. During the first quarter of 1992, additional equipment and operational costs were incurred to replace ordinary bank equipment which are fully depreciated and worn. Those expenses will level off for the remainder of 1992. The expense incurred for salaries increased 8.8% comparing the first three months of 1992 over 1991. This increase is largely due to the addition of staff and support requirements and expanded services and a new salary administration program. Net occupancy expense reflected no change now that the bank utilizes operational space more efficiently as the bank continues to expand.

Other expenses increased $77,000 or 13.5% comparing the first quarter of 1992 to the first quarter of 1991. Among the contributing factors were increases in dues and memberships of fees, FDIC insurance, credit report fees and insurance costs.

Income Taxes

The provision for income taxes for the first quarter of 1992 was $275,000 and $167,000 for the first quarter of 1991. This reflects the current tax rates and the level of income for both periods. This is the estimated provision for income tax for the period as determined by operations of the corporation.

Capital Management and Liquidity and Rate Sensitivity

The objectives of the Corporation's capital management policy places an emphasis on both current financial positioning and future capital needs based on anticipated growth. These objectives are maintained by management which monitors its liquidity requirements through its asset/liability management program. This program, along with other management analysis enables the bank to meet its cash flow requirements and adapt to the changing needs of the Corporation's customers and the requirements of regulatory agencies. The Corporation's principal source of liquidity has been short-term U.S. Government and U.S. Agency obligations, and various corporate notes. Money market investments and portfolio investments are kept liquid in order to effectively match our current deposit structure.

The Corporation is affected by changes in the level of rates of interest. Earnings will be sensitive to interest rate changes to the degree that the average yield on assets responds differently to a change in interest rates than does average cost of funds. Adequate liquidity affords the Corporation flexibility in meeting consumer loan demand and deposit fluctuations.

The Corporation actively manages the interest rate sensitivity characteristics of its assets and liabilities to control the effects of changes in the general level of interest rates upon Net Interest Revenue. This is accomplished by the asset/liability committee which consists of senior management and the board of directors, who are responsible for management decisions as to the asset/liability maturity mix.

Effects of Inflation

Current indicators forecast a possible lowering of interest rates in the next several months with the Fed playing a key role in the 1992 outlook which remains unsettled and uncertain. The Federal Reserve may have the task of sustaining slow expansion of the economy while stemming inflationary trends, in the realm of current fiscal policy. Economic conditions are reviewed by management in a continuing effort to adjust to the changing economic environment. The effects of these changes on the banking industry as a whole in the Company's market area are reviewed by management in order to compete at a level consistent with the goals of profitability and sound management policy.

Increases in the rate of inflation can increase longer term interest rates, which can reduce the value of investment securities, mortgage loans and other fixed rate and term assets. Inflationary periods also may tend to increase the borrowing needs of consumers, leading to requests for additional funds, which can expand total loans above expected levels and therefore require increased efforts to ensure the maintenance of adequate capital.

The banking industry is affected by inflation in a different manner than other industries, although certain changes have similar effects on both banks and other business enterprises. Current economic indicators are moving in the direction of possible inflationary changes. Although inflation may be moving into the overall economic picture, the interest rates are affected. Interest rates have been decreasing in response to economic changes and affect Asset Liability policy of the bank. Rates on Deposits and Loans are changed as necessary with consideration of economic and market conditions. Our continuing efforts to monitor all phases of the financial condition of all assets which can be affected by inflation includes the pricing of collateral on a regular basis. The coming months will reveal the effect of inflationary fluctuations on the economy.

Part II

Item 1. Legal Proceedings

The nature of the business of Pioneer American Holding Company Corp. and its subsidiary, Pioneer American Bank, N.A., generates a certain amount of litigation involving matters arising in the ordinary course of business. However, in the opinion of management, there are no proceedings pending to which Pioneer American or its subsidiary are parties or to which their property is subject, which, if determined adversely, would be material in relation to Pioneer American's shareholders' equity or financial condition. In addition, no material proceedings are pending or are known to be threatened or contemplated against Pioneer American or its subsidiary by governmental authorities or other parties.

Item 2. Changes in Securities

None

Item 3. Default Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

(a) The annual meeting of Pioneer American Holding Company Corp. was held on April 14, 1992.

(b) Three Directors were elected at this meeting for four year terms as follows:

Donald A. Hoyle, Jr.

Vivian Needle

George Vladika

Item 5. Other Information

None

Item 6. Exhibits and Reports on form 8-K

The following exhibits are attached to and made a part of this report.

(a) Proxy statement dated March 20, 1992 for the annual meeting dated April 14, 1992.

(b) Annual report for the year ended December 31, 1991, sent to shareholders of record March 1, 1992.

SIGNATURES*

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PIONEER AMERICAN HOLDING COMPANY CORP.

Date 5/12/92

By /s/ [signature]
Donald A. Hoyle, Jr.
President & C.E.O.

Date 5-12-92

By /s/ [signature]
John W. Reuther
Executive Vice President &
Chief Financial Officer